MEMORANDUM

TO: Ed Jensen   Carl Pascarella
             Wes Tallman   Bennett Katz
             Bill Chenevich   François Dutray
             Ray Barnes

P-0565

FROM: Dick Lonergan

DATE: December 19, 1995

SUBJECT: Electronic Commerce - Visa-MasterCard Common Standard

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Visa and MasterCard continue to work cooperatively towards a common standard for secure electronic commerce. During the week of December 4, the jointly sponsored technology working group met for three days in Dallas. At a Visa-MasterCard video conference on December 14, attended by François Dutray, Dick Lonergan, and Steve Herz (Visa), and Ed Hogan, John Gould, and John Wankmueller (MasterCard), many of the remaining issues were resolved. It was agreed that both card associations would work aggressively towards a January 31, 1996 date for the combined standard. Additional technical meetings will be held in Foster City this week. The attendee list and outline agenda are attached.

On December 12, Visa U.S.A. held an ad hoc Electronic Commerce Meeting which was attended by representatives from ten banks. Topics included the introduction of business case considerations and payment rule principles. Attendees were pleased with the progress made with MasterCard and reminded us that time is of the essence. Further working meetings on these topics will be held in January and February. An attendee list is attached.

The banking, technology, and popular press continues to write about Visa and MasterCard resuming talks on this topic. Both associations have agreed not to actively seek press coverage until we can jointly announce the new combined standard.

Copies of three overheads summarizing the activities in this area that were used at the U.S. Meeting are also attached. I am extremely encouraged by the continued cooperation with MasterCard and the time, effort, and intellect offered by Microsoft, IBM, Netscape, and others.

<u>Secure Electronic Transactions</u>
<u>Technical Planning Session</u>

<u>December 19 -- 21, 1995</u>

<u>LOCATION: VISA Foster City Building</u>

Participants:

<u>Master Card:</u>	John Gould, John Wankmueller
<u>Visa:</u>	Steve Herz, Tony Lewis
<u>GTE:</u>	Mort Hoffman
<u>IBM:</u>	Mark Lineham
<u>Microsoft:</u>	Brian Beckman
<u>Netscape:</u>	Tahar Elgamal
<u>SAIC:</u>	Doug Burke
<u>Terisa</u>	Allan Schiffman
<u>Verisign:</u>	Peter Williams

Purpose: Establish the approach , as well as roles and responsibilities for completing the Secure Electronic Specification (S.E.T.) specification by January 30, 1995

Resolve all outstanding technical questions and issues related to Secure Electronic Transaction (S.E.T.) specification
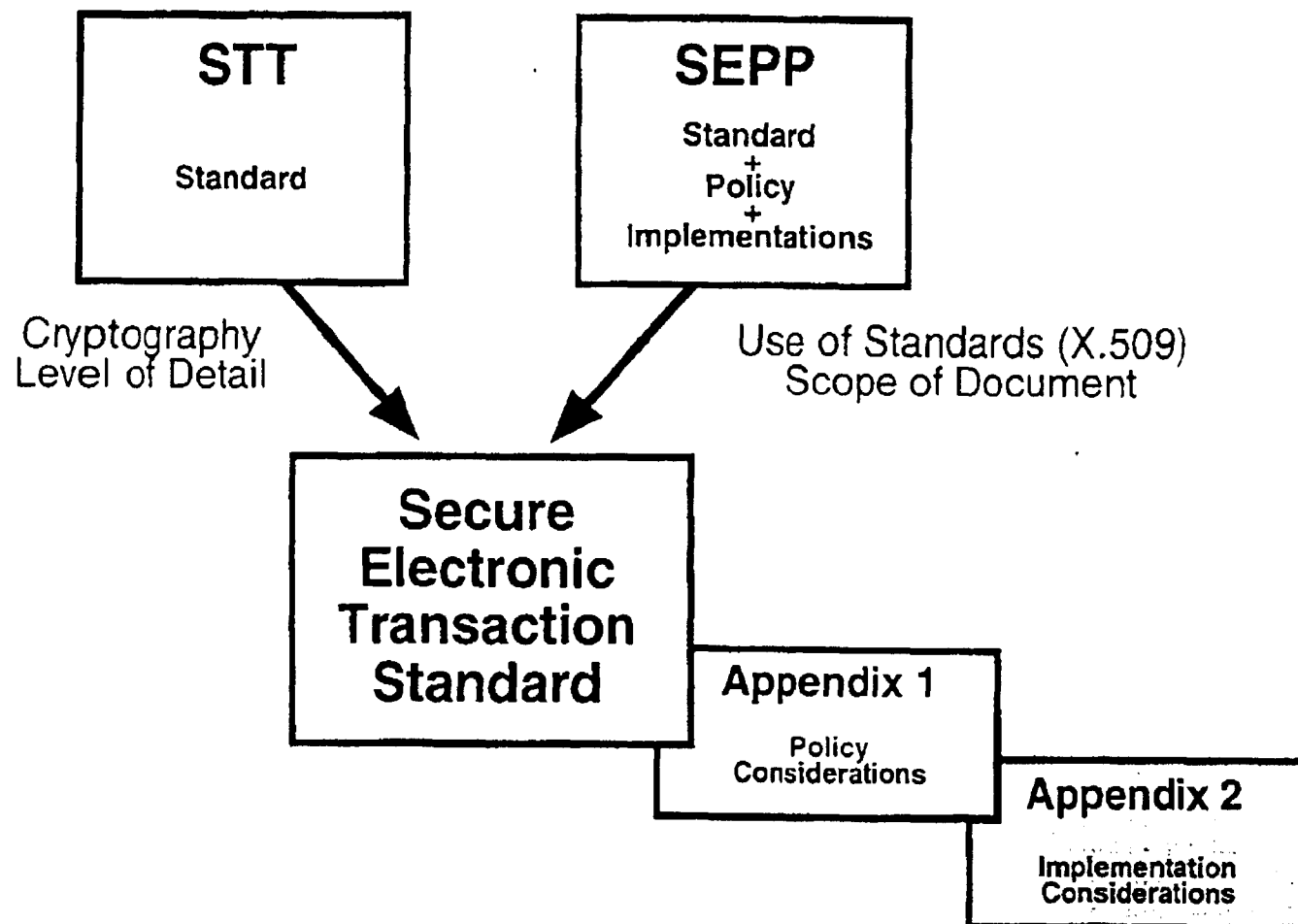
Calendar Agenda:

Date	Time / Room	Topic
Tuesday, December 19 (detail agenda attached)	1:00 to 6:00p.m. (working lunch) Room 5A	Review status and define working structure Complete message flows (7:00 Team dinner at _____)
Wednesday, December 20	9:00 to 6:00p.m. Room 5C	Complete all outstanding Protocol issues
Thursday, December 21	8:30 to 5:30p.m. Room 5A	Complete all outstanding Certificate issues

STT

Standard

SEPP

Standard
+
Policy
+
Implementations

Cryptography
Level of Detail

Use of Standards (X.509)
Scope of Document

Secure Electronic Transaction Standard

Appendix 1

Policy
Considerations

Appendix 2

Implementation
Considerations

■ **Nov 14** Netscape at Mountain View
  - Their concerns with STT

■ **Nov 16** MasterCard at Las Vegas
  - Business requirements, principles

■ **Nov 20** Microsoft at Redmond
  - Impact of changes to STT

■ **Nov 26** MasterCard at New York
  - Strawman from Visa for "best of both"

■ **Nov 28** MasterCard, Microsoft, IBM, Netscape at NY
  - Technical impact of strawman

■ **Dec 5-6-7** MasterCard, Microsoft, IBM, Netscape at Dallas
  - Continue technical impact assessment

GF125C.2

- Owned by Visa and MasterCard

- Announced in public domain with detail to program from

- Reference software will be available

- All changes will be announced with adequate lead time

- Available royalty-free

- Once stable, standard will be taken over by a standards body

- Must enable interoperability across various hardware and software

- Card associations manage their own root key

- Except for public key cryptography, there can be no patents

- Use applicable preexisting standards where applicable

GF125C.3

Visa Confidential

Electronic Commerce Meeting
December 12, 1995
Dallas, Texas
Attendees

Citibank:
    Dan Clark
    Leslie Erhlick
    Steve Murphy

First U.S.A.
    Todd Mackenstock
    Rick Scully

First National Bank of Omaha
    Nick Baxter
    Don Geppard
    Eric Turille

Nationsbank
    Dave Fortney

First Chicago NBD
    Paul Bisnoff
    Tim Summers

Core States Bank
    Scott Raw (merchant)

First Card (Issuer)
    Angel Vargas

Mellon
    Linda Brown

First Union
    Steven Culp

Bank of America
    Harry Frese

Norwest
    Don Hall